

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-2(c)

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In Re:

PARADIGM EAST HANOVER, LLC,

Debtor.

Case No.: 14-25017 (DHS)

Judge: Hon. Donald H. Steckroth

Chapter: 11

**SUPPLEMENT TO MOTION OF PARADIGM EAST HANOVER, LLC FOR THE
ENTRY OF AN ORDER AUTHORIZING THE DEBTOR TO SELL REAL
PROPERTY TO AVALONBAY COMMUNITIES, INC. FREE AND CLEAR
OF LIENS, CLAIMS AND INTERESTS PURSUANT TO 11 U.S.C. §363**

Paradigm East Hanover, LLC, the above-captioned debtor and debtor-in-possession (the “Debtor”), by and through counsel, Norris, McLaughlin & Marcus, P.A., respectfully submits this supplement (the “Supplement”) to the motion for entry of an Order authorizing the Debtor to sell real property located at Block 99, Lot 4.02, East Hanover, New Jersey to AvalonBay Communities, Inc. free and clear of liens, claims and interests pursuant to 11 U.S.C. § 363 (the “Motion”) and respectfully represents as follows:

1. On January 6, 2015, the Debtor filed its Motion to sell real property located at Block 99, Lot 4.02, East Hanover, New Jersey (“Lot 4.02”) to AvalonBay Communities, Inc.

2. A copy of the Motion was provided to numerous brokers and other parties that had expressed an interest in Lot 4.02, as well as, additional lots of the Debtor consisting of Block 99, Lot 4 a/k/a 11 Mt. Pleasant Avenue, East Hanover, NJ 07936 (“Lot 4”)¹ and Block 99, Lot 5.01 a/k/a 33 Mt. Pleasant Avenue, East Hanover, NJ 07936 (“Lot 5.01”)². As previously advised, 77 Charters, Inc. (“Charters”) maintains a 20% interest in all three lots (the “Lots”).

3. Since the filing of the Motion and solicitation by the Debtor, the Debtor has been contacted by several parties, including an in-person meeting, regarding interest in potentially acquiring Lot 4.02 and/or all of the Lots.³

4. The potential offers being discussed for the Lots are higher offers with potentially better terms than those currently being offered by the contracting parties.

5. To the extent offers/bids are received for the Lots, the Debtor believes in its sound business judgment that it may be in the best interest of the estate to proceed with an auction at the hearing on January 27th to sell all of the Lots.

6. By the within Supplement, the Debtor is requesting as a supplement to the Motion authorization to sell all of the Lots, in its sole discretion, consisting of Lot 4, Lot 5.01 and Lot 4.02, at the hearing on January 27, 2015.⁴

¹ On December 3, 2009, a tax sale was conducted and a tax sale certificate was issued in connection with unpaid sewer and water service charges assessed as due and owing on Lot 4 for the tax year 2008. The tax sale certificate for Lot 4 (the “Lot 4 Tax Sale Certificate”) was purchased by U.S. Bank-Cust/Sass Muni V dtr (“Sass”) for \$4,975.56 carrying an interest rate of 18%. Upon information and belief, Sass and/or its successor, paid the future tax obligations accruing on Lot 4 following the issuance of the Lot 4 Tax Sale Certificate. The Lot 4 Tax Sale Certificate appears to have been subsequently assigned to EHMP, LLC. A proof of claim has been filed for \$2,558,653.30 in connection with the Lot 4 Tax Sale Certificate.

² On December 2, 2010, a tax sale was conducted and a tax sale certificate was issued in connection with taxes assessed as due and owing on Lot 5.01 for the tax year 2009. The tax sale certificate for Lot 5.01 (the “Lot 5.01 Tax Sale Certificate”) was purchased by U.S. Bank-Custodian for Empire Tax Fund II, LLC for \$50,004.38 carrying an interest rate of 18%. As of the Petition Date, the redemption amount on the Lot 5.01 Tax Sale Certificate approximated \$309,427.66.

³ Lot 4 and Lot 5.01 are the subject of a pre-petition contract of sale that has not yet been assumed by the Debtor and/or submitted to the Court for approval.

WHEREFORE, the Debtor respectfully requests the entry of an order also authorizing the sale of Lot 4 and Lot 5.01, in the sole discretion of the Debtor to a purchaser satisfying the section 363 criteria at the hearing on January 27, 2015 or any adjourned date thereof.

Respectfully Submitted,

NORRIS, McLAUGHLIN & MARCUS, PA
Attorneys for Paradigm East Hanover, LLC

By: /s/ Morris S. Bauer
Morris S. Bauer

Dated: January 16, 2015

⁴ The Debtor intends to serve a copy of this Supplement upon all parties served with a copy of the Motion, including brokers and other interested parties, as well as all parties subject to contracts to purchase the respective Lots.